

## CALIFORNIA FRANCHISE TAX BOARD

Legal Ruling No. 070

June 27, 1958

RELATED TAXPAYERS: CREDIT OF OVERPAYMENTS AGAINST DEFICIENCIES:  
APPLICATION TO TAX YEARS PRIOR TO EFFECTIVE DATE

Syllabus:

Section 18691.1 is applicable to any tax liability existing as of June 5, 1945.

Adjustments to the separate returns of the taxpayers, re-allocating community income for the years 1943 and 1944, resulted in deficiencies as to the husband and overpayment to the wife. Taxpayers were divorced in September, 1944 and the wife now refuses to consent to application of her overpayments to the husband's deficiencies. Advice is requested whether Section 18691.1 which was enacted in 1945 is applicable.

Section 123 of the amendatory act (Stats. 1945, page 1290) contained the following statement: "The provisions of this act affecting changes in the computation of taxes shall be applied only in the computation of taxes for taxable years beginning after December 31, 1944, and the remaining provisions of this act shall become effective on the effective date of this act (June 5, 1945). Provisions affecting changes in the computation of taxes shall mean those affecting income, deductions, rates, method of calculating tax, exclusions, exemptions, and credits.

Section 18691.1 is not a provision affecting a change in the computation of taxes. Rather it relates to payment and assessments of taxes, as evidenced by its location in Chapter 10. Therefore, it became effective on the effective date of the amendatory act; and in the absence of an express provision to the contrary, it became applicable to any tax liability existing as of that date. Therefore, Section 18691.1 is applicable in the instant case and the wife's overpayments may be credited to the husband's deficiencies without her consent.